

# MGS Electricity Purchasing

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# Background

- Sunday River
  - ◆ Purchased power for LGS accounts in the beginning of deregulation
  - ◆ MGS Accounts since November 2001
  - ◆ About 8 million KWH in MGS - 24 Accounts

# Understand your Load Profile

- Information available from
  - ◆ Bills
  - ◆ T & D account representative
- Provide the information to Competitive suppliers
  - ◆ You will understand the data better
  - ◆ Suppliers will know you are knowledgeable
- Make notes on when equipment is running

# Understand the Supplier

- What are they looking for
  - ◆ MGS accounts
    - ★ Profiled shape – one size fits all
  - ◆ Off Peak usage
  - ◆ Sound finances
    - ★ Deposits

# Things to look at

- Business Type
  - ◆ Manufacturing – more options
  - ◆ Customer Service – need power when busy
- Load Shape
  - ◆ Information not typically supplied to MGS customers
  - ◆ Off Peak loads?
  - ◆ Can loads be shifted
    - ★ Daily or hourly
- Different Profiles in different seasons
  - ◆ MGS in Summer
  - ◆ LGS in winter
- Different rates for different profiles

# What can you do ?

- Is TOU worth it?
  - ◆ Is load shifting possible?
  - ◆ Customer Service Business
    - ★ Majority of usage on weekends?
  - ◆ Manufacturing
- Real time possibilities
  - Pay the hourly real time price
  - Need to monitor and manage
- ISO Price Response Program
- Demand Charges - LICAP

# Shop Around

- Supplier information located on the Maine PUC Website
- Know the standard offer prices
- Follow natural gas prices
- Creativity of suppliers
  - ◆ Do they recommend different options
- Your creativity
- Is supplier's representative knowledgeable?
  - Does the representative have ideas?
  - Do they seek knowledge about your business?
- Demand Charges

# Length of Contract

- Price stability
  - ◆ Longer Term
  - ◆ Average price lower in near term
- Risk
  - ◆ Shorter term
    - ★ Greater risk
    - ★ Greater reward
    - ★ Best for those who can manage their load
- Market timing? – Good Luck!
  - Spread out purchases



# Summary

- Understand your needs
- Understand the suppliers needs
- Examine your business to see if you have opportunities to change your electric use pattern
- Shop around